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EXAMINER

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**BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES**

Application Number: 09/627,951
Filing Date: July 28, 2000
Appellant(s): COLE ET AL.

John M. Harrington
For Appellant

EXAMINER'S ANSWER

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This is in response to the appeal brief filed October 5, 2005 appealing from the Office action mailed January 12, 2005.

(1) Real Party in Interest

A statement identifying by name the real party in interest is contained in the brief.

(2) Related Appeals and Interferences

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

(3) Status of Claims

The statement of the status of claims contained in the brief is correct.

(4) Status of Amendments After Final

No amendment after final has been filed.

(5) Summary of Claimed Subject Matter

The summary of claimed subject matter contained in the brief is correct.

(6) Grounds of Rejection to be Reviewed on Appeal

The appellant's statement of the grounds of rejection to be reviewed on appeal is correct.

(7) Claims Appendix

The copy of the appealed claims contained in the Appendix to the brief is correct.

(8) Evidence Relied Upon

No evidence is relied upon by the examiner in the rejection of the claims under appeal.

(9) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1-4, 7-8, 10, 12-23, 25-31 and 34 are rejected under 35 U.S.C. 103(a) as being unpatentable over US 5,802,499 *Sampson et al* in view of US 6,247,000 *Hawkins et al*.

Concerning Claim 1, *Sampson* discloses the invention substantially as claimed, including in a platform-independent method of collateral matching and mark to market reconciliation using a global communications network (Summary of the Invention), the steps of:

Accessing said global communications network (Col. 4, lines 8-21);

Transmitting financial transaction data, wherein said financial transaction data comprises financial data and user instructional data (Col. 11, lines 28-67), wherein said financial transaction data consists at least in part of mark to market valuations from a plurality of users (Col. 4, lines 8-59; Col. 47, lines 1-65) for at least one transaction previously transmitted via the global communications network (Col. 23, line 27 to Col. 24, line 58; Col. 39, line 60 to Col. 43, line 38, particularly, Col. 42, line 57 to Col. 43, line 9);

Inputting said financial transaction data using a standard format (Col. 4, lines 47-50);

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Comparing a first set of financial transaction data with a second set of financial transaction data to determine a collateral match decision (Col. 4, line 60 to Col. 5, line 14);

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Retrieving mark to market parameters for said financial transaction data associated with said collateral match decision (Fig. 5B; Col. 22, lines 4-8);

Using said mark to market parameters to calculate a market value for said financial transaction data associated with said matched decision (Col. 1, lines 40-57); and

Providing useful reports (Col. 9, lines 39-60).

Sampson does not specifically disclose the newly claimed simultaneous booking and transmission of new transaction data or conversion of such data to a standard format after transmission of the new financial transaction data. *Hawkins* discloses these limitations as follows: simultaneous booking and transmission of new transaction data (Col. 9, line 5 to Col. 10, line 10, particularly Col. 9, lines 9-14) and conversion of such data to a standard format after transmission of the new financial transaction data (Col. 10, lines 11-28 and Col. 23, lines 4-15). It would have been obvious to one of ordinary skill in the art at the time of the invention to modify *Sampson* with the simultaneous booking and transmission of new financial transaction data of *Hawkins* because this would provide timely processing of such data. It would further have been obvious to one of ordinary skill in the art at the time the invention was made to modify the collateral matching and mark to market reconciliation method of *Sampson* to use the data format conversions disclosed by *Hawkins* because this would be a *lingua franca* for the transmission of financial data.

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With respect to Claim 2, *Sampson* discloses mark to market value associated with a financial transaction at Col. 1, lines 40-67.

As to Claim 3, *Sampson* discloses real-time function at Col. 2, lines 7-11 and worldwide function at Col. 8, lines 56-67. *Sampson* does not specifically disclose worldwide market values.

Official Notice is taken that the use of worldwide market values for worldwide financial activity is old and well known in the financial arts. For example, in currency trading, market values are driven to a common worldwide valuation for each currency.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify *Sampson* to use world wide market values of financial transactions because this would have provided the most realistic valuation of asset values in a liquid, rapidly changing global market.

Concerning Claim 4, *Sampson* discloses auditing of financial data at Col. 8, lines 5-10. Managing/administering such data is disclosed at Col. 1, lines 5-10 and Col. 2, lines 28-43, at least.

Concerning Claims 7, 8 and 10, *Sampson* discloses a processor for performing the method of the invention at Col. 9, line 1 to col. 10, line 19. Applicants' claims recite mark to market, data conversion and reconciliation processors. Each of these processors is at some time instantiated in the processor disclosed by *Sampson*, because at the particular instant in which one of these functions is performed, the state of the processor is that of a marking, conversion or reconciliation machine. Applicants' claims recite no step providing a novel or unobvious arrangement of particular elements.

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Note that *Sampson* specifically discloses reconciliation at Col. 24, line 59 to Col. 25, line 44.

Concerning Claim 12, *Sampson* discloses a collateral match decision report at Col. 11, lines 10-67.

As to Claim 13, *Sampson* discloses controlling a communications path among multiple users at Col. 9, lines 1-60.

With respect to Claims 14-23 and 25-26, they are the system forms of Claims 1-10 and 12-13 and are rejected in a like manner.

With respect to Claim 27, see the discussion of Claim 1. *Sampson* further discloses data manipulation steps of displaying a user module (Co. 5, lines 7-11), viewing (Col. 4, lines 42-59), selecting (Col. 40, lines 23-25), transmitting (Col. 84, line 21), translating (Col. 2, lines 11-16), authenticating (Col. 9, line 5) and storing (Abstract).

Concerning Claim 28, see the discussions of Claims 27, 4 and 13.

With respect to Claims 29 and 30, they are the system forms of Claims 27-28 and are rejected in a like manner.

Concerning Claim 31, see the discussions above and *Sampson* further discloses a communications network having a plurality of users and a plurality of client terminals at Fig. 1.

Concerning Claim 34, *Sampson* does not specifically disclose that the communications network is owned by the financial institution.

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Official Notice is taken that network ownership by financial institutions is old and well known in financial arts. For example, NASDAQ owns a private network for financial transactions.

It would have been obvious to one of ordinary skill in the art at the time the invention was made for the financial institution to own its network because this would have provided economies and security.

Claims 5-6 and 9 are rejected under 35 U.S.C. 103(a) as being unpatentable over US 5,802,499 *Sampson et al* in view of US 6,247,000 *Hawkins et al* and further in view of US 6,205,452 *Warmus et al*.

Concerning Claim 5, see the discussion of Claim 6 below. Application of the steps to an import of financial data would allow for acceptance of data of variable format.

Concerning Claim 6, *Sampson* does not specifically disclose templates, export and specification creation. *Warmus* discloses a template for data export (Col. 4, lines 4-6), exporting data (Col. 4, line 7-14) and export specification creations (Col. 4, line 8). It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify *Sampson* to include these features so as to export data according to variable parameters in an export specification. As to generation of a unique export specification code, it is read as a version identifier used to infer data export characteristics.

With respect to Claim 9, see the discussion of Claim 1. *Sampson* does not specifically disclose the steps recited in claim 9. These steps are common database file format manipulations used to perform data conversions. *Warmus* discloses these steps as follows:

Managing a data file from a user (Summary of the Invention);

Converting data files to a standard file format (Col. 8, lines 29-33);

Parsing a data file (Col. 22, lines 25-34);

Validating a data file (Col. 34, lines 64-66);

Converting a data field to a standard format (Col. 12, lines 47-56);

Mapping (Col. 45, lines 64-67) and standardized, populated data field according to user preferences (Col. 12, lines 62-67);

Creating and reconfiguring export specifications (Col. 29, line 58 to Col. 31, line 44).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the financial reporting method of *Sampson* through the use of database file format manipulations of *Warmus* because this would have provided for varying output formats required by different persons to whom data was exported. Such variable formatting would make the method appealing to a greater number of financial parties.

Sampson does not specifically disclose creating and reconfiguring import specifications. For reasons similar to those above regarding export specifications, it would have been obvious to have flexible import specifications to make the method acceptable and usable to more persons.

Further, Official Notice is taken that blank or zero-filling for empty data fields was old and well known. The use of this feature with *Sampson* would be obvious to provide

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“placeholders” in a fixed format file. Additionally, logging errors would have been obvious to allow for problem diagnosis.

Claims 11 and 24 are rejected under 35 U.S.C. 103(a) as being unpatentable over US 5,802,499 *Sampson et al* in view of in view of US 6,247,000 *Hawkins et al* and US 6,205,452 *Warmus et al* and further in view of US 6,385,602 *Tso et al*.

As to Claim 11, see the discussion of Claims 1 and 10 above. *Sampson* does not specifically disclose prioritizing matching algorithms for financial transactions and using tiebreaker rules. *Tso* discloses matching algorithms (Background of the Invention) and prioritizing of these by users and use of tiebreakers at Col. 7, line 59 to Col. 8, line 5. It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified the method of *Sampson* with the additional features of *Tso* because this would have provided a most suitable selection of collateral matching items.

With respect to Claim 24, it is the system form of Claim 11 and is rejected in a like manner.

Claims 32-33 are rejected under 35 U.S.C. 103(a) as being unpatentable over US 5,802,499 *Sampson et al* in view of in view of US 6,247,000 *Hawkins et al* and US 6,205,452 *Warmus et al* and further in view of US 6,016,484 *Williams et al*.

With respect to Claim 32, see the discussion of Claim 31. *Sampson* does not specifically disclose an interactive user module comprising an application downloaded from a

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network. *Williams* discloses these features at Col. 12, lines 36-38 and Col. 9, lines 34-44. It would have been obvious to one of ordinary skill in the art at the time the invention was made to use the web-based downloadable application modules disclosed by *Williams* in the system of *Sampson* because this would have provided convenient access to the collateral matching and mark to market functionality of *Sampson*.

With respect to Claim 33, *Williams* further discloses use of the Internet at Col. 9, lines 34-44. It would have been obvious to one of ordinary skill in the art at the time the invention was made to use the Internet as disclosed by *Williams* in the system of *Sampson* because this would have provided broad and inexpensive access to the collateral matching and mark to market functionality of *Sampson*.

(10) Response to Argument

Appellants begin argument at page 5, where Appellants first identifies limitations cited by the Examiner in *Sampson*. Appellants then broadly discuss aspects of *Sampson* to mid-page 6. At second full paragraph, page 6, Appellants argue that *Sampson* does not disclose a particular limitation; the particular limitation recited is not claimed. Appellants imply that the transmitted “financial transaction data” of line 4 of Claim 1 is used in the comparison to determine a collateral match decision of lines 13-14 of Claim 1. This is not claimed. Lines 13-14 of Claim 1 recite only that first and second sets of financial transaction data are used in the comparison to determine a collateral match decision; these are not required to be the previously recited transmitted financial transaction data.

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At last paragraph, page 6 to page 7, Appellants assert that *Sampson* does not disclose retrieving and using mark to market parameters to calculate market value for financial transaction data associated with a matched decision. The Examiner cited *Sampson* at Col. 1, lines 40-57; Appellants fail to identify why this reliance on *Sampson* is incorrect. Appellants cite *Sampson* at Col. 22, lines 4-8 which discloses a “haircut”; the Examiner considers that this citation discloses the limitation argued by Appellants. That is, the “haircut” percentages disclosed by *Sampson* constitute parameters specifically used to generate a market value for financial transaction data associated with a matched decision. Quoting directly from the cited passage (bolding added):

the information field entitled VALUATION PERCENTAGE stores the valuation that will be applied when computing the value of the asset (e.g., 100 implies full market value of security, 95 implies a 5% haircut) is received from the counterparty of the referenced agreement;

Appellant does not explain why this disclosure by *Sampson* does not meet the limitation discussed.

At page 7, first full paragraph, Appellants state that the Examiner conceded that *Sampson* fails to disclose “in addition to **marked-to-market valuations from a plurality of users for transactions previously transmitted and/or received via the global communications network**, the transmitted financial transaction data also consists at least in part of transaction details for one or more new financial transaction for the plurality of users booked by a remote booking system and simultaneously transmitted by the remote booking system via the global communications network “. The Examiner did not concede this. The Examiner relied on *Sampson* for the portion bolded above and relied on *Hawkins* for elements of the remaining elements as set forth in the grounds of rejection restated above in (9). Appellants

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argue that *Sampson* does not disclose by itself limitations for which the Examiner cited *Sampson and Hawkins*. Appellant fails to identify limitations missing from the combination of references and does not address the Examiner's motivation to combine *Sampson* and *Hawkins*.

At page 7, last paragraph to page 8, Appellants correctly note that *Sampson* does not disclose converting/translating transmitted financial data to a common format upon submission by a user; *Hawkins* was relied on for these features. Appellants cite portions of *Hawkins* which contradict their contention concerning the reference. Appellants cite *Hawkins* at Col. 9, lines 5-37 to show that an originating broker's order is translated to a SWIFT format and then transmitted. Appellants fail to note that at Col. 9, lines 44-67, *Hawkins* also discloses that the originating broker may also contact the executing broker directly with a buy or sell order over a system of telephones and/or fax machines and that a message is *later* generated in a SWIFT format. The basis of Appellants' argument seems to be the timing of conversion to a standard format; *Hawkins* shows both conversion before transmission by a user (as cited by Appellants) and after transmission by a user (an originating broker using a telephone and/or fax).

At last paragraph, page 8, Appellants argue that *Hawkins* does not disclose limitations for which the Examiner relied upon both *Sampson* and *Hawkins*. Appellants provide no substantive argument against the combination of references.

At page 9, first paragraph, Appellants appear to restate the previous argument regarding timing of message conversion to a standard format addressed above.

Appellants, at end page 9, argue allowabilty of dependent Claims based on arguments related to independent Claims addressed above.

At page 10 to page 11, Appellants recite Claim language of dependent Claims 5, 6 and 9. At page 10, Appellants state that *Warmus* fails to remedy deficiencies of *Sampson* and *Hawkins*, but do not identify what these deficiencies are. The first full paragraph of page 11 is a discussion of aspects of *Warmus* in detail, but the relevance of the discussion is unclear. Appellants fail to identify any deficiency in the Examiner's citations to *Warmus* and do not dispute the Examiner's motivation to modify *Sampson* with the teachings of *Warmus*. At page 12, Appellants argue that a *prima facie* case of unpatentability is not shown based on earlier arguments refuted above.

At page 13, Appellants argument is similar to that regarding Claims 5, 6 and 9. Appellant recites Claim language at pages 12-13 and then asserts that *Tso* fails to cure unidentified "deficiencies" of *Sampson*, *Hawkins* and/or *Warmus*. Appellants restate argument regarding Claims 1, 14, 27, 29 and 31 addressed above. Appellants cite the very elements of prioritization and tie breaking as a focus of *Tso* for which the Examiner cited the reference to reject Claims 11 and 24. Appellants fail to specifically identify any limitation missing from the references and do not dispute the Examiner's motivation to modify *Sampson* with the teachings of *Tso*. At page 14, Appellants argue that a *prima facie* case of unpatentability is not shown based on earlier arguments refuted above.

At page 15, Appellants argument is similar to that regarding Claims 5, 6 and 9. Appellant recites Claim language at pages 14-15 and then asserts that *Williams* fails to cure unidentified "deficiencies" of *Sampson*, *Hawkins* and/or *Warmus*. Appellants restate argument regarding Claims 1, 14, 27, 29 and 31, addressed above. Appellants fail to specifically identify any limitation missing from the references and do not dispute the Examiner's motivation to modify *Sampson* with the teachings of *Williams*. Appellants discuss GUI and monetary aspects

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of Williams, but do not address the citations in *Williams* to interactive user module comprising an application downloaded from a network, which were relied on by the Examiner in the rejection of Claims 32 and 33. At page 16, Appellants argue that a *prima facie* case of unpatentability is not shown based on earlier arguments refuted above.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

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